

**Comment ID**

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**Oct. 17, 2021 Comment to USDOT by Solutionary Rail on Supply Chain Resilience:**

Solutionary Rail urges the USDOT to work with the STB as well as other agencies such as the USDA, EPA and DOE to connect the dots on US National Transportation Policy that takes a multidisciplinary approach for meeting social, environmental and economic resilience goals. Just as transportation and energy decarbonization are inseparable challenges, so are the reshoring of US production, addressing the Urban/Rural divide, and fostering supply chain resilience.

Characterizing the external costs of freight transportation is a first and essential step to shaping policies that harmonize infrastructure with public interests. [See slidedeck: <http://SolutionaryRail.org/slidedeck2021>] The US desperately needs to harmonize the interstate highway system with our national interstate railroads for maximum public benefit. Rail deregulation and the lack of serious enforcement of common carrier obligations have allowed monopolistic and extractive railroad business practices. Reasonable, accessible, equitable, and reliable access to rail transport is no longer available to rural communities, small and medium size manufactures, and many shippers deemed "not profitable enough." Freight is therefore forced onto trucks, despite plenty of disparate but available evidence that in comparison to heavy trucks, freight rail transport is more energy efficient and less damaging to infrastructure, public safety and other public interest variables.

Let's make the True Cost of transport transparent and easily available. In 2019, the EU published an External Costs of Freight Handbook [1] to quantify the multiple public benefits of shifting freight from roads to rails, especially electrified rail. The EU has invested in a Shift2Rail[2] program to propose solutions for their freight system. The EU even declared 2021 the "Year of the Train."

It is urgent that the US take the public's interest in rail transport at least as seriously as the EU and others around the globe. The US government needs to marshal its data to demonstrate the public's interest in transportation investments that maximize benefits, reduce harm, and support investment in supply chains that are resilient and support the vitality of local economies, public health, and the environment. We

therefore urge the USDOT to develop an open source External Cost of Freight calculator and corresponding handbook to be used by policy makers, planners and public interest advocates.

Such an effort could be easily done given the volume of data available, including that available through the BTS, EPA and STB. Solutionary Rail created a mock up External Cost Calculator in collaboration with Huajing Shi, the Principal Data Scientist of the Port Authority of NY/NJ using formulas from a Kansas DOT Benefit Cost Analysis tool, and FAF 4 data. STB waybill data would be far more accurate than the FAF4. See <http://SolutionaryRail.org/extcostcalc>

Quantifying the actual costs of our freight transportation choices and setting priorities for a resilient supply chain will serve as a basis for clarifying and updating Common Carrier Obligations of the Class 1 railroads.

The USDOT in collaboration with the STB, FRA and Congress should:

1. Update the national transportation policy to reflect the 21st century public interest in decarbonization, equitable and affordable access, and supply chain resilience.
2. Restore meaning to the concept of Common Carrier based on the public benefits of equitable, accessible, reliable and affordable service that does not discriminate according to volume or distance in ways that undermine the opportunity of smaller or rural shippers and the public to benefit from the efficiencies and harm reduction of rail transport and its role in local, regional, and national supply chains.
3. End the distorting practice of granting commodity and service exemptions and revoke existing exemptions; and
4. Guide the Surface Transportation Board (STB) in expanding both the scope of the rate complaint process to include access to service and the range of parties with standing to include municipalities negatively impacted by inadequate or discriminatory service.

Ultimately, to resolve supply chain issues US infrastructure and our economy must also be harmonized with our values. Supply chain resilience will not be achieved in an economy that relies on human rights violations or environmental degradation offshore. The USDOT can at least account for the public costs of offshoring production such as those incurred by public for operations of port facilities. A True Cost Calculator

or External Cost of Transportation Calculator could be a valuable tool for improving this cause of supply chain disruption.

[1] EU Handbook on the external costs of transportation, (pub2019)

[https://op.europa.eu/en/publication-detail/-/publication/](https://op.europa.eu/en/publication-detail/-/publication/9781f65f-8448-11ea-bf12-01aa75ed71a1)

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[2] Interview w/Shift2Rail's Carlos Borghini & links to related documents:

<http://SolutionaryRail.org/shift2rail>